

DEPARTMENT OF ADMINISTRATION
DIVISION OF BANKING AND FINANCIAL INSTITUTIONS



BRIAN SCHWEITZER
GOVERNOR

ANNIE M. GOODWIN
COMMISSIONER

STATE OF MONTANA

301 SOUTH PARK, SUITE 316
PO BOX 200546
HELENA MT 59620

CSBS ACCREDITED 2004
(406) 841-2920
(406) 841-2930 FAX

Sent Via Certified Mail

April 27, 2007

Amanda Smith
Legal Coordinator
Dana Capital Group, Inc.
8001 Irvine Center Drive #1200
Irvine, Ca 92618

and

Paracorp. Inc.
1500 Virginia Dale
Helena, Mt 59601

Re: Notice of Violation, Penalty and Opportunity for Hearing

Dear Dana Capital:

Enclosed you will find a Notice of Violation, Penalty and Opportunity for a Hearing ("Notice"). The Division has reasonable cause to believe that Dana Capital has brokered loans in the State of Montana without a license. Dana Capital is advised that the Division of Banking and Financial Institutions intends to impose a \$380,000 fine for engaging in mortgage brokering in Montana without a license and that Dana Capital must stop brokering loans in Montana immediately.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Prichard".

Mark Prichard, Legal Counsel
Division of Banking and Financial Institutions

Notification of Violation, Penalty and Opportunity for Hearing

April 27, 2007

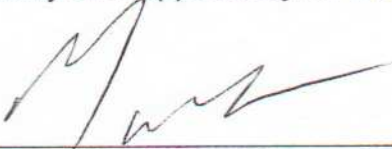
To: Dana Capital Group, Inc.
8001 Irvine Center Drive #1200
Irvine, Ca 92618

Re: Unlicensed Mortgage Broker Activity

Pursuant to Section 32-9-126 and 32-9-133, Montana Code Annotated, the Department of Administration acting through the Division of Banking and Financial Institutions ("Division") hereby informs Dana Capital Group, Inc. ("Respondent") that the Division intends to impose a Twenty Thousand Dollar (\$20,000.00) penalty for each violation listed below.

Count I: Respondent acted or offered to act in the capacity of a mortgage broker in the State of Montana without obtaining the proper license. This is a violation of Section 32-9-102, MCA which subjects the Respondent to a \$20,000.00 Penalty for each occurrence pursuant to 32-9-133, MCA.

Pursuant to the allegations outlined above, the Division shall impose a fine of not less than Twenty Thousand Dollars (\$20,000.00) for each violation. Information obtained by the Division through examination confirms that the Respondent has brokered at least nineteen (19) loans in Montana without having obtained the proper license for a total fine of Three Hundred and Eighty Thousand Dollars (\$380,000.00). If you disagree with the Division's decision you must request a hearing under the Montana Administrative Procedures Act. Such request must be made **in writing** and received by the Division of Banking and Financial Institutions within 20 days of receipt of this Notification of Violation, Penalty and Opportunity for Hearing.



Mark Prichard, Legal Counsel
Division of Banking and Financial Institutions